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INFO RUEHZK/ECOWAS COLLECTIVE
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RUCPDO/DEPT OF COMMERCE WASHDC
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RHEBAAA/DEPT OF ENERGY WASHDC
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SENSITIVE
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SUBJECT: NIGERIA: BI-WEEKLY POL/ECON UPDATES FOR JULY 17-31, 2008

REF: A. ABUJA 1482

11. (U) The Following is a joint Embassy Abuja, ConGen Lagos compilation of July 17-31 political/economic highlights, which did not feature in our other reporting, covering:

--National Assembly
--Pol/Mil
--PDP Politics
--Economic and Business
--Oil and Gas

NATIONAL ASSEMBLY

12. (SBU) July 24, PolOff provided Congressman Farouk Lawan (PDP-Bagwai/Shanono, Kano Sate) Chairman of the House Committee on Education and leader of the Integrity Group in the House of Representatives, per his request, a copy of S.B. 128, the counterterrorism (CT) bill introduced July 8 in the Nigerian Senate. Congressman Lawan was pleased to hear that the bill was essentially a verbatim copy of the Commonwealth "Model Legislative Provisions on Measures to Combat Terrorism," was co-sponsored by four Northern Senators (including Sen. Bala Mohammed, Secretary of the Northern Senator's Forum), and contained none of the provisions granting broad powers to the President which generated opposition to the 2006 CT legislation. (Note: Opposition from northern Senators was said to be one of the primary reasons for the 2006 bill's demise. End note.) Lawan commented that the House should get started working on the bill since it was already being considered in the Senate. He further stated that vis-a-vis the U.S. and U.K. "We should not have the most lenient sentences for these offenses, but somewhere in the middle," in response to past criticism of the previous legislation.

13. (U) The House of Representatives went out of session August 1, joining the Senate which is already on recess. Prior to adjourning for the summer recess, House Speaker Dimeji Bankole announced the dissolution of all but three House Committees. The Committees on Business and Rules, Finance, and Appropriations remain as previously constituted. Bankole plans to announce the new composition of the committees when the House reconvenes. Both the House and Senate will reconvene September 9.

POL/MIL

14. (SBU) Africa Command Commander General William E. "Kip" Ward visited Nigeria from July 21-23 to meet with senior Nigerian military officials, Economic Community of West African States

(ECOWAS) Commissioners and staff, and representatives of regional governments and military forces to discuss mutual defense cooperation and capacity building efforts. General Ward also reviewed troops participating in the Africa Endeavor 2008 exercise of regional partner militaries during closing ceremonies held in Abuja.

PDP POLITICS

15. (U) It was announced that the National Executive Committee of the People's Democratic Party (PDP) will meet Tuesday August 5 to discuss the position of former President Obasanjo as Chairman of the Board of Trustees (BOT) of the party. The meeting, originally scheduled for July 11, is the first under new PDP National Chairman Prince Vincent Ogbulafor, and promises to be contentious. Top of the agenda is a review of Article 12:77 of the party's 2006 amended constitution, which reserves to Obasanjo the near-exclusive right to serve as BOT Chairman, being the only former president elected on the party's platform. The PDP Reconciliation Committee led by Dr. Alex Ekwueme, to entice founding PDP members back to the party, has recommended that the article be changed back to what party bylaws mandated prior to the 2006 amendment to allow for somebody other than a former PDP president to occupy the position as BOT Chair.

ECONOMIC AND BUSINESS

16. (U) NIGERIA GARMENT EXPORT TO THE U.S. UNDER AGOA: The Ambassador and Minister of Commerce and Industry, Charles Ugwu attended an event launching Nigeria's first set of exported garments to the U.S.

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under the African Growth and Opportunity Act (AGOA) on July 17 in Lagos. The Human Capital Development Center from Lagos produced the garments. The Ambassador underscored the importance the USG "places not only on the existing business linkages between our two nations but also on creating new ones like this one under our framework for partnership with Nigeria."

17. (U) DUNLOP ENDS TIRE PRODUCTION: Dunlop announced plans to close down its tire production facilities after 45 years of operation because of chronic lack of electricity and the GON's inconsistent tariff policies, which made the venture unprofitable. Dunlop was involved in the production of car, van, and truck tires.

18. (U) THAILAND CONSORTIUM TO INVEST IN NIGERIAN ENERGY SECTOR: On July 21 the media reported that a consortium of Thailand companies will invest \$2 billion in the Nigeria's energy sector, targeting mostly power sector, gas, petrochemical and agriculture. The GON has yet to approve the proposal. The consortium plans to set up a petrochemical company in Brass, build fertilizer plant in Delta State and three new power plants in Ajaokuta, Abuja and Kano that will generate 100 megawatts of electricity.

19. (U) PRESIDENT PROMISES TO ERADICATE POLIO: At a Rotary Foundation event on July 24 President Umaru Yar'Adua promised to eradicate the polio virus in Nigeria. At this same event the Foundation presented the Polio Eradication Champion Award to President Yar'Adua and the President commented that "The award has given me a great responsibility to do everything humanly possible to ensure that polio is finally and totally eradicated from Nigeria."

110. (U) NIGERIA IMPORTS 700,000 METRIC TONS OF FROZEN FISH ANNUALLY: At the inauguration of the "Aquaculture Best" journal on July 29 in Lagos, the Minister of Agriculture and Water Resources, Sayyadi Ruma, reported that the country imports 700,000 metric tons (mt) of frozen fish annually - making it the largest importer of frozen fish in Africa. He noted that in 2007, Nigerians spent 50 billion naira (\$425 million) on frozen fish imports despite Nigeria's more than 500 miles of coastline.

111. (U) INVESTIGATION INTO THE BUDGET OF THE MINISTRY OF AGRICULTURE: During July 22 Senate hearings on the food crisis, the Accountant General of the Federation (AGF), the Director General (DG) of the Budget and the Ministry of Agriculture and Water

resources failed to agree on the actual budget released to the ministry in the last nine years. The AGF claimed 585.4 billion naira (\$4.9 billion) while the Budget DG contended 611.6 billion naira (\$5.2 billion). The Senate reported that it will continue investigative hearings.

¶12. (U) OUTREACH TO WOMEN ENTREPRENEURS: Lagos Consul General Donna Blair hosted a reception for Vital Voices Global Partnership and emerging Lagosian women leaders, business owners, and artists on July 28. Vital Voices grew out of the USG's Vital Voices Democracy Initiative, which was established after the United Nations Fourth World Conference on Women in Beijing to promote the advancement of women as a U.S. foreign policy goal. Alumni of State Department exchanges among the group recalled how their participation had changed their perceptions of both the U.S. and what they could achieve in their own country. Consul General Blair praised Vital Voices for the work they have done in Nigeria, including identifying, training, and empowering emerging women leaders and social entrepreneurs around the globe, enabling them to create a better world, through building women business leaders, catalyzing successful entrepreneurship, and combating human rights violations that are affecting women in Nigeria.

¶13. (U) FIBER OPTIC CABLES TO CONNECT WEST AFRICA WITH U.K. AND U.S.: On July 28, local news media reported that Globacom, Nigeria's second national operator for the fixed line telecom market, is laying 9,500 kilometer of submarine fiber optic cables, connecting London with 14 West African countries and the United States. The project is expected to reach Ghana by May 2009, and be linked to Nigeria shortly after. Bob Otto, Director of U.S.-based consulting firm CARANA, told EconOff on July 21 that the new submarine fiber optic cables would change the game plan for the provision of telecom services in Nigeria by reducing service prices tremendously.

OIL AND GAS

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¶14. (U) Oil production began on July 29 from Chevron's deep offshore Agbami oilfield. The floating production storage and offload facility in the Agbami field is currently producing 100,000 barrels of crude oil per day with production expected to rise to 250,000 barrels per day of oil and natural gas liquids by the end of 2009. Chevron estimates the Agbami field holds 900 million barrels of recoverable oil reserves. Chevron is the majority operating partner with Norway's Statoil and Brazil's Petrobras holding minority interests.

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